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August 24, 2005

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in Nebraska

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Certified Public Accountant

*Admitted to practice in Iowa
only

Via E-File Transmission

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423

RECORDATION NO. 25791 FILED

AUG 24 '05

12-38 PM

SURFACE TRANSPORTATION BOARD

RE: Memorandum of Security Agreement
Our File: DM-100-05.BS

Dear Secretary Williams:

Attached hereto, in compliance with 49 CFR § 1177.3, please find the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Memorandum of Security Agreement, a primary document, dated June 29, 2004.

The names and addresses of the parties to the documents are as follows:

Secured Party: Fishback Financial Corporation
PO Box 5057
2220 Sixth Street
Brookings, SD 57006-5057

Debtor: Dakota, Minnesota & Eastern Railroad Corp.
140 N. Phillips Ave.
Sioux Falls, SD 57104

A description of the equipment covered by the document is:

Forty-seven (47) covered hopper railcars of varying capacity, from 4,635 to 4,785 cubic feet bearing DME reporting marks in the DME 46000 and 47000 series.

*Surface Transportation Board
47 Covered Hopper Railcars DME 46000 and 47000 Series
August 24, 2005 - Page 2*

Our STB account number for the required fee of \$33.00 is 22773.


A short summary of the document to appear in the index as described in 49 CFR § 1177.4(a) follows:

Primary Document - Memorandum of Security Agreement between Dakota, Minnesota & Eastern Railroad Corporation and Fishback Financial Corporation, dated June 29, 2004, and covering 47 covered hopper railcars in the DME 46000 and 47000 series.

Should you have any questions or require additional information with respect hereto, please do not hesitate to contact me.

Sincerely,

CUTLER & DONAHOE, LLP

A handwritten signature in dark ink, appearing to read "Brian J. Donahoe". The signature is fluid and cursive, with the first name "Brian" and last name "Donahoe" clearly distinguishable.

Brian J. Donahoe

For the Firm

Attorneys for Dakota, Minnesota & Eastern
Railroad Corp.

BJD:lk

Attachments

cc: Gary Fish
Fishback Financial Corp.

RECORDATION NO. 25791 FILED

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12-38 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY AGREEMENT dated as of June 29, 2004, between

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION (hereinafter
called the Borrower)
140 N. Phillips Avenue
Sioux Falls, SD 57104

and


FISHBACK FINANCIAL CORPORATION (hereinafter called the Lender)
PO Box 5057
2220 Sixth Street
Brookings, SD 57006-5057

The Borrower and the Lender entered into the Commercial Security Agreement dated as of June 29, 2004 pursuant to which the Borrower grants to the Lender a security interest in **all of the Borrower's right, title and interest in those certain railroad cars particularly described in Exhibit A hereto**, together with all products and proceeds of the foregoing.

The parties wish to show for the public record the security interest in the aforesaid property in favor of the Lender, and accordingly have caused this memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.


LENDER:

FISHBACK FINANCIAL
CORPORATION

By 
David Gibson, Vice President

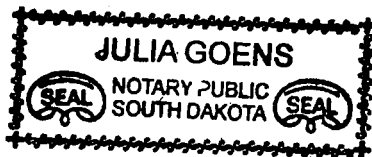
BORROWER:

DAKOTA, MINNESOTA & EASTERN
RAILROAD CORPORATION

By 
Kurt V. Feaster, Sr. Vice President, CFO

STATE OF SOUTH DAKOTA)
) SS:
COUNTY OF BROOKINGS)

On this 8th day of July, 2004, before me personally appeared DAVID GIBSON, to me personally known, who, by me being duly sworn, says that he is the Vice President of the FISHBACK FINANCIAL CORPORATION, that the foregoing instrument was signed on behalf of said company by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

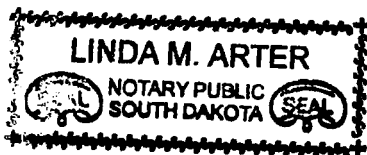


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Julia Goens
Notary Public – State of South Dakota
My Commission Expires: 12-15-09

STATE OF SOUTH DAKOTA)
) SS:
COUNTY OF MINNEHAHA)

On this 13th day of July, 2004, before me personally appeared KURT V. FEASTER, to me personally known, who, by me being duly sworn, says that he is the Senior Vice President and Chief Financial Officer of DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION, that the foregoing instrument was signed on behalf of said company by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.



Linda M. Arter
Notary Public – State of South Dakota
My Commission Expires: 01/09

EXHIBIT A

Forty-Seven (47) covered hopper railcars of varying capacity, from 4,635 to 4,785 cubic feet bearing DME reporting marks as follows:

DME 46104
DME 46105
DME 46106
DME 46111
DME 47001
DME 47051
DME 47060
DME 47061
DME 47078
DME 47080
DME 47081
DME 47084
DME 47089
DME 47099
DME 47109
DME 47111
DME 47112
DME 47124
DME 47138
DME 47142
DME 47149
DME 47150
DME 47152
DME 47157
DME 47173
DME 47180
DME 47182
DME 47184
DME 47204
DME 47207
DME 47211
DME 47229
DME 47231
DME 47233



DME 47244
DME 47247
DME 47250
DME 47259
DME 47264
DME 47266
DME 47270
DME 47271
DME 47276
DME 47277
DME 47284
DME 47288
DME 47289

